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# FAS REPORT

United States  
Department of  
Agriculture  
Foreign  
Agricultural  
Service  
Washington, D.C. 20250

WEEKLY ROUNDUP OF WORLD PRODUCTION AND TRADE

WR 11-83

WASHINGTON, March 16--The Foreign Agricultural Service of the U.S. Department of Agriculture today reported the following developments in world agriculture and trade:

## EC TRADE NOTES

In a move intended to stimulate lagging exports and increase its competitive position in foreign markets, the EUROPEAN COMMUNITY (EC) has raised its export refund (subsidy) on flour to \$115 per ton. The flour refund had been constant at about \$106 since October, except for a brief period in December when it fell to \$103 per ton. Trade groups are calling for an even higher refund that would enable the EC to compete in the Egyptian and Chinese flour markets, as well as safeguard traditional export markets in the Middle East and Africa.

## GRAIN AND FEED

Dramatically increased wheat production in ARGENTINA this season has raised the question of whether the country can sell record export availabilities and whether such large quantities could be shipped. Argentine December-November 1982/83 marketing year wheat exports are forecast at 10 million tons, well above the previous record of almost 6 million in 1976/77 and almost triple last season's 3.6 million. The Argentines have been very successful in selling their wheat crop, with about two-thirds committed to the USSR, China and Iran. Total sales to date may be close to 8 million tons.

The Argentines recently demonstrated that these large sales also could be successfully shipped. January wheat shipments reached a record 1.6 million tons and preliminary data indicate that February shipments may go even higher, possibly reaching 1.9 million tons. This is more than 50 percent greater than last season's heavy January-February movement.

The bulk of Argentine sales were made for January-March delivery, and in order to clear exportable supplies, the bulk of the wheat needed to be shipped in this period before Argentine new crop corn, sorghum and soybeans came on line, competing for transportation and handling capacity. It appears that the Argentines are successfully meeting their heavy shipping programs and it's likely that over half of Argentina's forecast wheat exports could be shipped in the January-March quarter, considerably lessening potential bottlenecks for the rest of the grain shipping season.

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PAKISTAN reportedly may have an exportable wheat surplus of up to 800,000 tons this year. So far, more than 280,000 tons have been sold to Iran and Iraq. The most recent sale to Iran--for 130,000 tons--was reportedly at a price of \$192 per ton. These are the first Pakistani wheat exports in nearly 30 years. The current surplus situation is the result of record production in 1982 of about 11.5 million tons, coupled with near-record carryover of 1.2 million tons from last year.

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Persistent drought continues to affect SOUTH AFRICA's corn production, increasing the likelihood of imports. The South African Maize Board is reportedly negotiating to postpone some current marketing year corn shipments. In addition, some corn that was sold to millers for product exports is being moved back into the local market. It appears, however, that the Maize Board may not have much flexibility in breaking contracts on corn already sold for export, although the sales contract with Taiwan is negotiable.

South Africa is not expected to export any of its 7-million-ton corn crop in the May-April 1983/84 period. It is also apparent that a domestic shortage of white corn, primarily for human consumption, is likely to develop. Given the limited world white corn supply, some mixing of white and yellow corn may become necessary, although yellow corn is not popular with consumers. In addition, South Africa may need to look for available white corn supplies in other countries, possibly the United States.

#### OILSEEDS AND PRODUCTS

Total ARGENTINE and BRAZILIAN soybean production is expected to reach 18 million tons this year, up from 16.8 million tons last year. Brazil has been favored with good weather and the soybean crop is expected to reach 14.6 million tons, up from last year's drought-reduced production of 12.8 million. Argentina, the major U.S. competitor in world soybean markets, will harvest less than last year because of drought. USDA's current estimate for Argentina is 3.4 million tons, 600,000 below last year's production. Government policies continue to encourage domestic crushing, which suggests few soybeans will be available for export during the last part of this U.S. marketing year and at least the first half of the U.S. 1983/84 marketing year. This may lead to improved export opportunities for U.S. soybeans.

Combined Argentine and Brazilian soybean crush is forecast to increase 9.7 percent from last year to 15.8 million tons. Soybean meal exports from these countries are expected to increase 8.6 percent to 9.5 million tons and oil exports of 1.32 million tons would be almost 26 percent above last year. The larger South American crush will mean increased competition in international markets in the latter part of this U.S. marketing year and the first half of the 1983/84 year. Brazil and Argentina are both aware of the growing Soviet meal market and are in a good position to meet steadily rising USSR import needs.

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## DAIRY, LIVESTOCK AND POULTRY

In AUSTRALIA, the cattle census of March 31, 1983, is expected to show inventories under 22.0 million head, down more than 10 percent from 24.49 million a year ago, according to the U.S. agricultural counselor in Canberra. Beef production in 1983 is expected to range between 1.34 million tons (normal weather) and 1.42 million tons (if the drought continues.)

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Last year's outbreak of hog cholera in KOREA killed more than 300,000 hogs and is not yet completely under control, according to the U.S. agricultural counselor in Seoul. Despite the disease, swine numbers expanded by 20 percent in 1982 to 2.2 million head. Hog cholera is endemic to Korea, with occasional outbreaks.

## COTTON AND FIBERS

The 1982/83 AUSTRALIAN cotton crop estimate has been revised upward to 550,000 bales, 100,000 bales above last month's estimate. Timely rains during January and early February revived the drought-stressed crop. Nearly 80 percent of the anticipated increase is now expected to occur in the largest producing state of New South Wales, which was hit harder by drought than Queensland. Despite current low prices, farmers still find planting cotton attractive because of low land costs. It appears likely that the area under cotton will continue to expand during the next several years.

## COFFEE, TEA AND COCOA

Cocoa production in BRAZIL for 1982/83 is now estimated at 285,000 tons, compared with 315,000 tons for 1981/82. Bahia cocoa arrivals indicate that the main crop may approximate or slightly exceed 120,000 tons (2.0 million 60-kg. bags). The temporao crop is currently estimated at 138,000 tons (2.3 million bags), but, based on more normal rainfall levels since January, the crop could be larger if weather remains favorable during the rest of the season.

In Ecuador, 1982/83 cocoa production is now estimated at 85,000 tons, compared with 87,500 in 1981/82. Losses to the 1982/83 crop as a result of heavy rains and extensive flooding in the lowland coastal areas are expected to be partially offset by the improved moisture conditions in other areas and new plantings coming into bearing. Higher soil moisture and high humidity are expected to cut both crop quantity and quality in the lowland production areas.



## Selected International Prices

Item	March 16, 1983		Change from	A year
			previous week	ago
	\$ per MT	\$ per bu.	\$ per MT	\$ per MT
ROTTERDAM PRICES 1/				
Wheat:				
Canadian No. 1 CWSR-13.5%*	192.00	5.23	--	N.Q.
U.S. No. 2 DNS/NS: 14%*...	171.00	4.65	+2.25	184.00
U.S. No. 2 DHW/HW: 13.5%..	N.Q.	--	--	198.00
U.S. No. 2 S.R.W.....	154.00	4.19	+3.50	166.00
U.S. No. 3 H.A.D*.....	174.00	4.74	+4.00	184.00
Canadian No. 1 A: Durum*..	187.50	5.10	+2.50	201.00
Feed grains:				
U.S. No. 3 Yellow Corn....	133.00	3.38	-4.50	129.50
U.S. No. 2 Sorghum 2/.....	N.Q.	--	--	140.70
Feed Barley 3/.....	N.Q.	--	--	N.Q.
Soybeans and meal:				
U.S. No. 2 Yellow.....	236.40	6.43	+1.80	249.50
Brazil 47/48% SoyaPellets 4/	217.00	--	-5.00	N.Q.
U.S. 44% Soybean Meal.....	208.00	--	+2.50	225.00
U.S. FARM PRICES 5/				
Wheat.....	135.22	3.68	+1.47	132.64
Barley.....	64.76	1.41	+1.38	85.43
Corn.....	103.14	2.62	-.79	94.88
Sorghum.....	98.55	4.47 6/	+.22	87.52
Broilers 7/.....	925.71	--	-5.73	941.14
EC IMPORT LEVIES				
Wheat 8/.....	116.61	3.17	-.21	89.65
Barley.....	114.69	2.50	+1.70	77.70
Corn.....	97.25	2.47	+4.64	97.20
Sorghum.....	92.36	2.35	+1.16	86.75
Broilers 9/.....	313.00	--	-0- 10/	277.00
EC INTERVENTION PRICES 11/				
Common wheat(feed quality)	188.62	5.13	+3.50	186.74
Bread wheat.....	207.09	5.64	+3.62	214.77
Barley and all				
other feed grains.....	188.62	--	+3.50	186.74
Broilers 12/.....	1093.00	--	+14.00	N.Q.
EC EXPORT RESTITUTIONS (subsidies)				
Wheat.....	77.60	2.11	-3.48	68.31
Wheat flour.....	N.Q.	N.Q.	N.Q.	N.Q.
Barley.....	87.05	1.90	--	40.27
Broilers 9/.....	212.00	--	-0- 13/	173.00
Sugar, refined 15/.....	397.80	--	-6.09	N.Q.

1/ Asking prices in U.S. dollars for imported grain and soybeans, c.i.f., Rotterdam. 2/ Optional delivery: Argentine Granifero sorghum. 3/ Optional delivery: Canadian feed barley. 4/ Optional delivery: Argentine. 5/ Based on selected major markets and adjusted to reflect farm prices more closely. 6/ Hundredweight (CWT). 7/ Nine-city average; wholesale weighted average. 8/ Durum has a special levy. 9/ EC category--70 percent whole chicken. 10/ Reflects exchange rate change and not level set by EC. 11/ Reflects change by EC effective Feb. 1, 1983 from 31.8 ECU's/100 kg. to 33.15 ECU's/100 kg. \*\*Reflects exchange rate change only. 12/ F.O.B Price for R.T.C. Whole Broilers at West German border. 13/ Subsidy increase reflects change by EC Effective Feb. 1, 1983 from 20.50 ECU's/100 kg to 22.50 ECU's/100 kg. 14/ F.o.b. price for whole R.T.C. broilers at West German border. 15/ The week of March 9. Based on 37.489 ECU's per 100 kilograms. N.Q.=Not quoted. Note: Basis March delivery. \* April-May.



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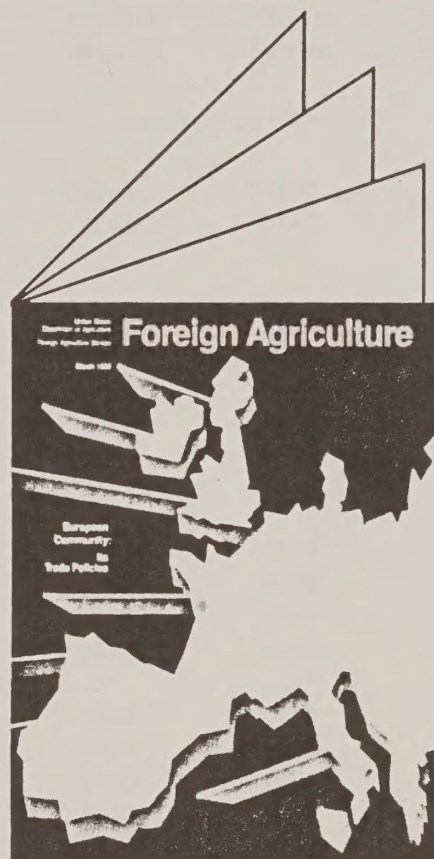
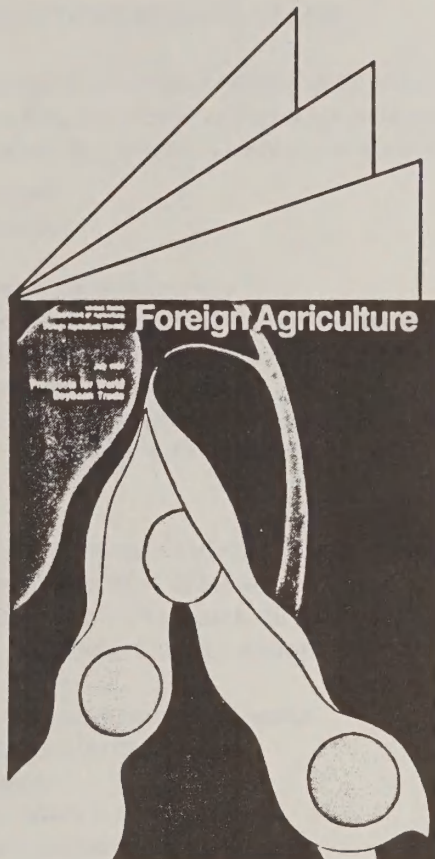
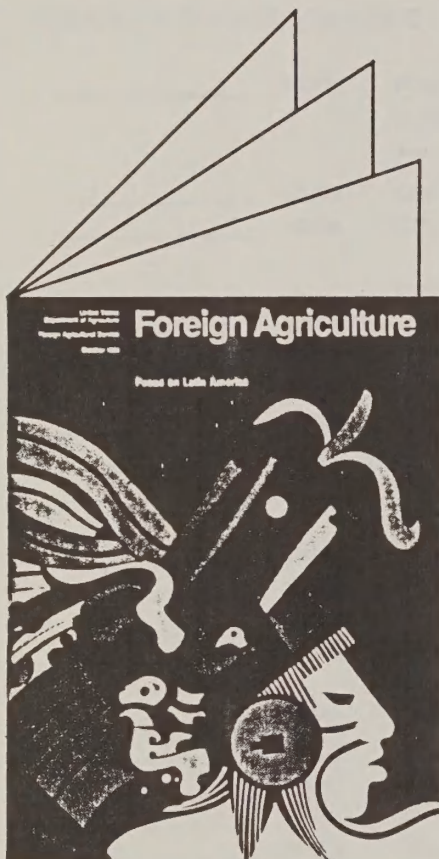
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